

Exhibit A

Chesapeake Energy Corporation's Form 10-K filed on February 24, 2022

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the Fiscal Year Ended December 31, 2021

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the transition period from to

Commission File No. 001-13726



CHESAPEAKE ENERGY CORPORATION

(Exact name of registrant as specified in its charter)

Oklahoma

73-1395733

(State or other jurisdiction of incorporation or organization)

(I.R.S. Employer Identification No.)

6100 North Western Avenue, Oklahoma City, Oklahoma

73118

(Address of principal executive offices)

(Zip Code)

(405) 848-8000

(Registrant's telephone number, including area code)

Securities Registered Pursuant to Section 12(b) of the Act:

<u>Title of Each Class</u>	<u>Trading Symbol(s)</u>	<u>Name of Each Exchange on Which Registered</u>
Common Stock, \$0.01 par value per share	CHK	The Nasdaq Stock Market LLC
Class A Warrants to purchase Common Stock	CHKEW	The Nasdaq Stock Market LLC
Class B Warrants to purchase Common Stock	CHKEZ	The Nasdaq Stock Market LLC
Class C Warrants to purchase Common Stock	CHKEL	The Nasdaq Stock Market LLC

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Securities Exchange Act. Yes ☐
No ☒

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company" and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large Accelerated Filer ☒ Accelerated Filer ☐ Non-accelerated Filer ☐

Smaller Reporting Company ☐ Emerging Growth Company ☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

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- adverse developments or losses from pending or future litigation and regulatory proceedings, including royalty claims;
- legislative, regulatory and environmental, social and governance (“ESG”) initiatives, including as a result of the change in the U.S. presidential administration, addressing environmental concerns, including initiatives addressing the impact of global climate change or further regulating hydraulic fracturing, methane emissions, flaring or water disposal;
- terrorist activities and/or cyber-attacks adversely impacting our operations;
- effects of purchase price adjustments and indemnity obligations; and
- other factors that are described under *Risk Factors* in Item 1A of Part I of this Annual Report on Form 10-K (this “Form 10-K” or this “report”).

We caution you not to place undue reliance on the forward-looking statements contained in this report, which speak only as of the filing date, and we undertake no obligation to update this information. We urge you to carefully review and consider the disclosures in this report and our other filings with the SEC that attempt to advise interested parties of the risks and factors that may affect our business.

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Unless the context otherwise requires, references to “Chesapeake,” the “Company,” “us,” “we” and “our” in this report are to Chesapeake Energy Corporation together with its subsidiaries. Our principal executive offices are located at 6100 North Western Avenue, Oklahoma City, Oklahoma 73118, and our main telephone number at that location is (405) 848-8000.

[Our Business](#)

We are an independent exploration and production company engaged in the acquisition, exploration and development of properties to produce oil, natural gas and NGL from underground reservoirs. We own a large and geographically diverse portfolio of onshore U.S. unconventional natural gas and liquids assets, including interests in approximately 8,200 gross oil and natural gas wells.

On June 28, 2020, we and certain of our subsidiaries filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. The Bankruptcy Court confirmed the Plan in a bench ruling on January 13, 2021 and entered the Confirmation Order on January 16, 2021. The Debtors emerged from bankruptcy on February 9, 2021. Upon emergence, all existing equity was canceled and New Common Stock was issued to the previous holders of our FLLO Term Loan Facility, Second Lien Notes, senior unsecured notes and certain general unsecured creditors whose claims were impaired as a result of our bankruptcy, as well as to other parties as set forth in the Plan, including to other parties participating in a \$600 million rights offering. Upon emergence from bankruptcy, we adopted fresh start accounting, which resulted in us becoming a new entity for financial reporting purposes. Accordingly, the consolidated financial statements on or after February 9, 2021 are not comparable to the consolidated financial statements prior to that date. To facilitate our discussion in this report, we refer to the post-emergence reorganized company as the “Successor” and the pre-emergence company as the “Predecessor.” See [Note 2](#) and [Note 3](#) of the notes to our consolidated financial statements included in Item 8 of Part II of this report for further discussion of our bankruptcy, the resulting reorganization and fresh start accounting.

On November 1, 2021, we completed our acquisition of Vine, an energy company focused on the development of natural gas properties in the over-pressured stacked Haynesville and Mid-Bossier shale plays in Northwest Louisiana. The Vine Acquisition strengthens Chesapeake’s competitive position, meaningfully increasing our Free Cash Flow outlook and deepening our inventory of premium natural gas locations, while preserving the strength of our balance sheet.

On January 24, 2022, we entered into a definitive agreement to acquire Chief and associated non-operated interests held by affiliates of Tug Hill, Inc. (“Tug Hill”), for \$2.0 billion in cash and approximately 9.44 million common shares. Chief and Tug Hill hold producing assets and an inventory of premium drilling locations in the Marcellus Shale in Northeast Pennsylvania. The cash portion of the Chief Acquisition will be financed with cash on hand and the use of our Exit Credit Facility. The Chief Acquisition, which is subject to customary closing conditions, including certain regulatory approvals, is expected to close by the end of the first quarter of 2022.

On January 24, 2022, we entered into an agreement to sell our Powder River Basin assets in Wyoming to Continental Resources, Inc. for approximately \$450 million in cash. The transaction, which is subject to certain customary closing conditions, is expected to close in the first quarter of 2022.

The completion of these transactions will clarify and strengthen our asset portfolio, concentrating on three operating areas and advancing our highest-return assets in the Marcellus and Haynesville gas basins.

[Information About Us](#)

We make available, free of charge on our website at [chk.com](#), our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and any amendments to those reports as soon as reasonably practicable after we electronically file such material with, or furnish it to, the SEC. From time to time, we also post announcements, updates, events, investor information and presentations on our website in addition to copies of all recent news releases. Documents and information on our website are not incorporated by reference herein.

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The SEC maintains a website at www.sec.gov that contains reports, proxy and information statements, and other information regarding issuers, including Chesapeake, that file electronically with the SEC.

Business Strategy

Consistent returns, sustainable future. Our strategy is to create shareholder value by generating sustainable Free Cash Flow from our oil and natural gas development and production activities. We continue to focus on improving margins through operating efficiencies and financial discipline and improving our Environmental, Social, and Governance (“ESG”) performance. To accomplish these goals, we intend to allocate our human resources and capital expenditures to projects we believe offer the highest cash return on capital invested, to deploy leading drilling and completion technology throughout our portfolio and to take advantage of acquisition and divestiture opportunities to strengthen our portfolio. We also intend to continue to dedicate capital to projects that reduce the environmental impact of our oil and natural gas producing activities. We continue to seek opportunities to reduce cash costs (production, gathering, processing and transportation and general and administrative) per barrel of oil equivalent production through operational efficiencies, including but not limited to improving our production volumes from existing wells. We believe that we have emerged from Chapter 11 bankruptcy as a fundamentally stronger company, built to generate sustainable Free Cash Flow with a strengthened balance sheet, geographically diverse asset base and continuously improving ESG performance.

Maintain low leverage and strong liquidity. Subsequent to our emergence from Chapter 11 bankruptcy, we believe that maintaining low net leverage is integral to our business strategy and will allow us to maintain lower fixed costs, improve our margins and maintain the flexibility of our capital program.

Returns-focused capital reinvestment strategy. Our business focus will be on optimizing the development of our large, geographically diverse resource base with a prioritization of generating high cash returns on capital invested. We expect our maintenance capital program to yield in excess of annual production of 700 mboe per day and generate significant Free Cash Flow at today’s prevailing commodity market prices.

Low-cost operator with expected top-quartile cash costs. We expect to continue to focus on our cost optimization initiatives.

Continue efforts to reduce greenhouse gas (GHG) emissions and operate in an environmentally responsible manner with a goal of net zero direct GHG emissions by 2035. We are committed to operating our business responsibly and protecting the environments in which we operate. We eliminated routine flaring on all new wells completed in 2021, and plan to accomplish the same on all wells enterprise-wide by 2025. We reduced our methane loss rate to 0.08% and our GHG intensity to 5.0 as of December 31, 2021.

Manage commodity price exposure and ensure stability through prudent hedging strategy. We employ a prudent hedging strategy, which is aligned with our capital expenditure program and is designed to manage our exposure to commodity price volatility, ensure the stability of our cash flows and mitigate our risks to realizing attractive cash returns on capital invested. As of February 21, 2022, we have 11 mmbbls and 899 bcf of expected 2022 production, representing 58% and 68% of 2022 forecasted oil and natural gas production, hedged at prices of \$44.30/bbl and \$2.69/mcf, respectively, for swaps and \$3.21/mcf to \$4.26/mcf, respectively, for collars. Additionally, as of February 21, 2022, we have hedged 6 mmbbl and 467 bcf of expected 2023 oil and natural gas production at prices of \$47.17/bbl and \$2.69/mcf, respectively, for swaps and \$65.00/bbl to \$79.09/bbl and \$3.03/mcf to \$4.02/mcf, respectively, for collars. Metrics include hedges that are contingent upon the closing of the Chief Acquisition.

Operating Areas

We focus our acquisition, exploration, development and production efforts in the geographic operating areas described below.

Marcellus - Northern Appalachian Basin in Pennsylvania.

Haynesville - Haynesville/Bossier Shales in Northwestern Louisiana.

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Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

CHESAPEAKE ENERGY CORPORATION

Date: February 24, 2022

By: /s/ DOMENIC J. DELL'OSSO, JR.
Domenic J. Dell'Osso, Jr.
President and Chief Executive Officer

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Domenic J. Dell'Osso, Jr. his true and lawful attorney-in-fact and agent, with full power of substitution and resubstitution, for him and in his name, place and stead, in any and all capacities, to sign any or all amendments to this Annual Report on Form 10-K, and to file the same, with all, exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each, and every act and thing requisite and necessary to be done in and about the premises, as fully to all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents, and each of them, or the substitute or substitutes of any or all of them, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Capacity	Date
<u>/s/ DOMENIC J. DELL'OSSO, JR.</u> Domenic J. Dell'Osso, Jr.	President and Chief Executive Officer (Principal Executive Officer)	February 24, 2022
<u>/s/ MOHIT SINGH</u> Mohit Singh	Executive Vice President and Chief Financial Officer (Principal Financial Officer)	February 24, 2022
<u>/s/ GREGORY M. LARSON</u> Gregory M. Larson	Vice President - Accounting & Controller (Principal Accounting Officer)	February 24, 2022
<u>/s/ MICHAEL WICHTERICH</u> Michael Wichterich	Executive Chairman and Chairman of the Board	February 24, 2022
<u>/s/ TIMOTHY S. DUNCAN</u> Timothy S. Duncan	Director	February 24, 2022
<u>/s/ BENJAMIN C. DUSTER, IV</u> Benjamin C. Duster, IV	Director	February 24, 2022
<u>/s/ SARAH A. EMERSON</u> Sarah A. Emerson	Director	February 24, 2022
<u>/s/ MATTHEW M. GALLAGHER</u> Matthew M. Gallagher	Director	February 24, 2022
<u>/s/ BRIAN STECK</u> Brian Steck	Director	February 24, 2022